

File #26716

**STATE OF MINNESOTA  
DEPARTMENT OF COMMERCE**

In the Matter of  
Net Management Group

**CEASE AND DESIST ORDER**

TO: Net Management Group  
c/o Matthew Guzman  
535 Griswold Street #1110  
Detroit MI 48226

Alleged Email Address: [proposals@netmanagementgroup.com](mailto:proposals@netmanagementgroup.com)  
[contact@netmanagementgroup.com](mailto:contact@netmanagementgroup.com)

Minnesota law prohibits any person from acting or holding himself, herself or itself out as real estate licensees without a valid real estate license issued by the Commissioner of Commerce ("Commissioner") as required by Minn. Stat. §82.81, subd. 1 (2012). Minnesota law further prohibits any person from offering or selling an interest in subdivided land in this state unless the interest is registered pursuant to Minn. Stat. §83.23 subd. 1 (2012) or the transaction is exempt from registration pursuant to Minn. Stat. §83.25 (2012). Additionally, Minnesota law prohibits the advertising of properties in any manner that is misleading or inaccurate and the making of any material misrepresentations pursuant to Minn. Stat. §§82.81 subd. 12(8) (9) and 325F.67 (2012).

1. Respondent Net Management Group ("NET") does not hold a license issued by the Minnesota Department of Commerce ("Department").

2. The Department found that NET does not hold any licenses issued by any other state.

3. According to timeshare property owners that have received documentation from NET and were contacted by an individual purporting to represent NET, NET does business at 535 Griswold Street, Suite 1110, Detroit Michigan. The Department investigator spoke with Lisa Dilg, Director of Community Relations with the Better Business Bureau Serving Eastern Michigan ("BBB") in Detroit Michigan. Ms. Dilg stated that she had personally visited the building assigned the address and NET is not a current tenant of the building and had never been a tenant of the building.

4. In February 2013, the Department opened an investigation of NET after receiving information from a local timeshare owner/manager that one of their Minnesota owners had been contacted by NET to sell their timeshare property located in Minnesota (Breezy Point).

5. The Department received documents from the BBB in Michigan in which a California timeshare owner (the "seller") signed a purchase agreement with NET to sell their interest in their timeshare located at Monark Resort in California. The agreed to purchase price for their timeshare was \$15,950, which was broken down as \$14,500 purchase price and closing/transfer fee of \$1,450, to be paid by NET. The NET purchase agreement with the seller was dated January 23, 2013 and states that the agreement is guaranteed with the seller receiving \$14,500 within 90 days of signing the purchase agreement and the seller agreeing to pay NET a commission of eight percent (8%) for the service of selling the timeshare within five (5) business days after receipt of payout.

6. The seller wrote in a fax to the BBB that NET represented it was a member of the Securities and Exchange Commission ("SEC") and was using Harris Title, located at 3090 Post Oak Blvd #1490 Houston Texas 77055 to transfer the ownership of their timeshare.

NET provided wire transfer information on Harris Title letterhead that stated the following:  
Beneficiary – International Vacation Group MC1, SA de CV; Beneficiary address – Calle Mexico N 3535 Torre N1, Col. Vallarta San Jorge Guadalajara, Jalisco 44690. The bank used was BBVA Bancomer, S.A. , Av. Patria #320, Col. La Estancia , Zapopan, Jalisco 45030, account #0191 855 875, Clabe Code 0123 2000 1918 5587 51, SWIFT – BCMRMXMMPYM.

7. The seller received a letter from Harris Title dated January 24, 2013, congratulating them on the sale of their property and advising them that Harris Title had already received funds from the buyer and the funds would be held in an escrow account. No evidence was found during the Department's investigation of any affiliation between NET and Harris Title or the SEC.

8. The Department sent a letter dated March 20, 2012 through the U.S. mail and by fax to NET requesting information. The request sent to NET by U.S. mail was returned as "Return to Sender Not Deliverable as Addressed." NET has failed to respond to any of the Department's demands for information.

9. NET has conducted business within Minnesota without making legally required business filings with the Minnesota Secretary of State pursuant to Minn. Stat. Ch. 302A or Ch. 303.

10. NET maintained a website which indicates they are involved in property management, real estate sales and real estate leasing.

11. NET has engaged in unlicensed real estate sales activity in violation of Minn. Stat. §82.81 subd. 1 (2012).

12. NET has engaged in misleading and inaccurate advertising in violation of Minn. Stat. §82.81 subd. 12 (8) and §325F.67 (2012).

13. NET has made material misrepresentations in violation of Minn. Stat. §82.81 subd. 12 (9) (2012).

14. NET has demonstrated untrustworthiness in violation of Minn. Stat. §82.82 subd. 1(f) and § 45.027 subd. 4 (2012).

This Order is in the public interest.

**NOW, THEREFORE, IT IS HEREBY ORDERED**, pursuant to Minn. Stat. § 45.027 subd. 5a (2012) that NET shall cease and desist from engaging in fraudulent activity and unlicensed activity of any kind in violation of Minn. Stat. Ch. 82. This Order is effective immediately.

Pursuant to Minn. Stat. §45.027 subd. 5a (2012), NET may request a hearing in this matter. Such a request shall be made in writing and served upon the Commissioner. The Commissioner shall then set a date for hearing within 10 days after receipt of a request, unless NET and the Department by agreement waive the 10-day time period. If no hearing is requested by NET within thirty (30) days of service of this Order and none is ordered by the Commissioner, this Order will become permanent and will remain in effect until modified or vacated by the Commissioner.

In the event a hearing is requested, this Order will remain in effect until it is modified or vacated or made permanent by further order of the Commissioner under Minn. Stat. §45.027 subd 5a (2012). The administrative proceeding provided by Minn. Stat. §45.027 subd. 5a (2012) and subsequent appellate judicial review of that administrative proceeding, constitutes the exclusive remedy for determining whether the Commissioner properly issued

this Order and whether this Order should be made permanent. The Commissioner reserves the right to seek appropriate remedies including fines, civil penalties and costs associated with our investigation of this matter.

Notwithstanding Minn. Stat. §45.027 subds. 5 or 5a (2012), if NET requests a hearing under Minn. Stat. §45.027 subd. 5a (2012), NET may, within fifteen (15) days after service of this Order, bring an action in Ramsey County District Court for an injunction to suspend enforcement of this Order pending a final decision of the Commissioner under Minn. Stat. §45.027 subd. 5a (2012), to vacate or make permanent this Order. The Court shall determine whether to issue such an injunction based on traditional principles of temporary relief.

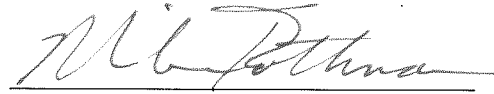
In the event a hearing is requested in this matter, it will be held before an Administrative Law Judge to be appointed by the Chief Administrative Law Judge for the State of Minnesota, Office of Administrative Hearings, Harold E. Stassen Office Building, State Capitol Complex, 600 North Robert Street. St. Paul, Minnesota 55146. All parties have the right to represent themselves or be represented throughout the proceedings herein by legal counsel or a person of their choice if not otherwise prohibited as the unauthorized practice of law.

The contested case proceedings are conducted under the Minnesota Rules of Professional Conduct and the Professional Aspirations adopted by the Minnesota State Bar Association. The hearing will be conducted under the contested case procedures as prescribed in accordance with Minn. Stat. Ch. 14 and the Rules of the Office of Administrative Hearings, Minn. R. 1400.5100-1400.8401 (2011).

This Order shall be effective upon signature on behalf of the Commissioner.

Dated: 5-28-13.

By:

A handwritten signature in cursive script, appearing to read "Mike Rothman", written over a horizontal line.

MIKE ROTHMAN  
Commissioner

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St. Paul, Minnesota 55101  
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